

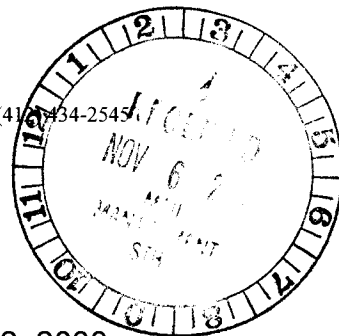
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**PPG Industries, Inc.**

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**L. Blaine Boswell**  
Vice President  
Public Affairs



November 2, 2000

The Honorable Vernon A. Williams  
Office of the Secretary  
Surface Transportation Board  
Case Control Unit  
Attn: STB Ex Parte No. 582 (Sub-No. 1)  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

**ENTERED**  
**Office of the Secretary**

**NOV - 7 2000**

**Part of**  
**Public Record**

Dear Mr. Williams:

PPG Industries, Inc. is a diversified manufacturer of chemicals, protective coatings, glass and fiber glass employing over 21,000 in the United States and with 77 major facilities in 23 states. Total global sales in 1999 were \$7.8 billion and we employ about 33,800 worldwide.

PPG has reviewed the STB's decision in Ex Parte No. 582 (Sub-no. 1), Major Rail Consolidation Procedures, dated October 3, 2000. Our comments with respect to the proposed rulemaking follow.

As outlined in the summary of PPG's comments which appears within Appendix M, pages 300 and 301, of the STB decision document, PPG's principal concerns relate to the issues surrounding competitive access, rail to rail competition and service. PPG's continued economic viability in the marketplace is dependent on an effective commercial rail system that includes such attributes.

PPG applauds the spirit of Board's proposed rulemaking regarding competitive access, rail to rail competition and service issues. PPG is in complete concurrence with the Board's assessment that requirements are necessary for applicants to provide a plan for enhancing competition through rail to rail competition, including the granting of trackage rights; establishment of shared or joint access; removal of paper and steel barriers and other methods. PPG's comments to the Board's proposed rules are directed at the need to require more specific measures in these areas. PPG believes that the new rules, as proposed by the Board, are too general in nature and fall short by failing to outline specific requirements in the key areas.

In the proposed rulemaking, competitive issues are to be “balanced” with many others such as “carrier safety and efficiency, adequate service for shippers, environmental safeguards, and fair working conditions for employees.” PPG believes that the language of the proposed rulemaking is neither clear enough nor strong enough in addressing the need to establish and maintain rail to rail competition and to prevent service failures resulting from future mergers.

Because of the critical importance of rail to rail competition, PPG believes it warrants establishment of a set of specific criteria in and of itself, independent of any others that must be met in order for a merger to be approved. These criteria should include specific safeguards that would protect and enhance rail to rail competition and must preclude any degradation of competition. Specifically such measures must include:

- Mandatory competitive access in all currently captive situations
- Requirement of competitive access in mergers where non-captive shippers are likely to become captive
- Mandatory reasonable rate offerings by railroads on any portion of a movement and elimination of the requirement for the existence of a contract between the shipper and a connecting carrier
- Mandatory open routings and access to all gateways
- Guaranteed rights of short-line and regional railroads to interchange traffic with any other railroad without restriction

The Board has done an admirable job in advocating required service plans as a precondition to merger approvals. However, PPG strongly believes service assurance is an area of paramount importance that requires stronger and more specific language. PPG believes more is needed from the Board in establishing mandatory performance requirements and specific, well-defined remedial procedures for service failures, which apply equally for all harmed parties. Claims filed by harmed parties in recent mergers have been a confusing array of red tape with ill defined procedures, often times resulting in stall tactics by the railroads and/or total failure to render reimbursement.

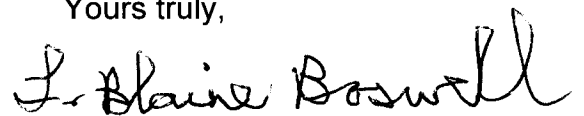
Specific measures must include:

- Provisions outlining mandatory performance standards, as well as follow-up service reporting and contingency plans.
- Provisions for defined and specific penalties for service failures resulting from future mergers
- Clear and specific settlement rules and required remedial timelines for service damage disputes resulting from post merger service disruptions which apply equally to all shippers

PPG believes, as does the Board, that so called downstream effects must be an important consideration as a condition of future merger approvals. However, PPG believes that allowing the merger applicants to project these potential downstream effects would not provide for an unbiased analysis. Input from all interested parties must be solicited and considered in determining downstream effects as well as independent analysis by an unbiased evaluation entity.

In closing, PPG's current and future economic viability is dependent on rail transportation. It is critical that a strong and vibrant rail system be maintained in the United States for the benefit of all rail users. Accordingly, it is critical that future mergers guarantee substantive rail to rail competition, adequate levels of service, and are approved only after due consideration of downstream effects.

Yours truly,

A handwritten signature in black ink, reading "L. Blaine Boswell". The signature is written in a cursive, flowing style with a large, prominent "L" and "B".

L. Blaine Boswell